

Procurement Questions:

Question:

Is a county family services agency required to use competitive procurement if it wishes to award a subgrant?

Answer:

It is not generally necessary to competitively procure subgrants. Section 307.86, Revised Code, which governs competitive procurement by units of county government under state law, applies to anything to be “purchased, leased, leased with an option or agreement to purchase, or constructed . . . “ It does not apply to subgrants of federal monies, as subgrants are not purchases or acquisitions, but grants of federal monies to another entity to administer a federal program.

Similarly, the grants management common rule, which contains the general federal procurement requirements, is not applicable to subgrants of federal monies. This is indicated in the definitions in the common rule at 45 CFR 92.3, which defines subgrant as

. . .

. . . an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual legal agreement, **but does not include procurement purchases**, nor does it include any form of assistance which is excluded from the definition of grant in this part.

[emphasis added]

Specific program requirements may compel you to competitively procure subgrants. This is particularly the case with programs administered by DOL. In addition, there may be circumstances in which you wish to use a competitive award process to select subgrantees to ensure you identify the most appropriate candidates.